MONTHLY NEWS BULLETIN

Division of Simplified Practice
National Committee on Metals Utilization
National Committee on Wood Utilization

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REDUCING INVENTORIES

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"If you cannot apply simplification to things you sell, then apply it to things you buy! Don't buy 15 varieties of bolts, if by study you can make one kind of bolt satisfy the 15 uses." The hotel manager who made this statement reduced his cost of items simplified 20% below their former cost, released $350,000 from former inventories, and saved $100,000 a year.

A well-known eastern railroad cut its supply list from 140,000 to 78,000 items. Another road eliminated 4936 items, another 5457, and a third over 7000. One carrier cut its average stores investment from $38,000,000 to $20,000,000 - largely through simplifying its requirements.

The cost of carrying inventories includes much more than interest on investment. Rent, insurance, taxes, transportation, handling and distribution, depreciation and obsolescence all have to be taken into account. In some lines, the average "cost-to-carry" is 15 to 25% of the value of the inventory. It may exceed this in other fields.

Many companies have just completed their annual inventories. Now is a good time to study the possibilities for their reduction through simplification. The savings through release of otherwise idle inventory investment are usually great enough to make such study very profitable. The ideal situation exists when all the inventory is in process or in transit - in other words "on the move". Simplification affords an easy approach to this ideal, for it is based on the elimination of excessive or superfluous variety - the chief source of idle investment and heavy costs of inventory maintenance. If you can not apply simplification to things you sell, - then why not apply it to things you buy?

1. HAND-TO-MOUTH BUYING - A STABILIZING FACTOR: In discussing "hand-to-mouth buying - a stabilizing factor" in the December "Purchasor", Richard Forester, Commodity Director, National Association of Purchasing Agents, states - "the minimum of capital investment in the frozen asset of raw materials, consistent with production demand and price trend, can only be maintained when sales and production conferences are fully opened up to the Director of Purchases." The following example well illustrates what can be accomplished under such an arrangement.

"In 1925, a concern carrying an inventory of only seven hundred thousand dollars, turned it seventeen times for an annual sales volume of twelve million dollars. In the same period, an older and larger competitive concern, who were manufacturers of the same specialty, sold a larger volume amounting to sixteen million dollars, with a net profit of one

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million dollars. But the concern with the smaller sales volume showed a profit twice as great that ran over two million dollars. Turnover was the answer. The smaller concern turned its inventory value seventeen times. The best the larger concern could do with its inventory in excess of three million was four turnovers. This inventory was twenty-five per cent of the sales volume. Slim profits come with such a burden."

Leading men in widely divergent fields agree that simplification increases turnover, and decreases inventory.

2. INFLUENCE OF INVENTORY ON PROFITS: "How long will present prosperity last?" was one of the interesting questions discussed in the report of E. F. DuBrul, General Manager of the Machine Tool Builders' Association, presented at the opening session of the last convention. According to Mr. DuBrul, "Sane management simply did not allow business to go into an insane boom, as might easily have been the case in times gone by". Also, the large influence of inventory on profits was mentioned, it being pointed out that to keep the rate of turnover at a high average, the inventory must be reduced as demand falls off. Simplified designs and better control of inventory were said to have improved the rate of turnover in many of the association members' plants.

3. THE BUSINESS BUDGET: Every business man admits the value of a budget, a plan which will co-ordinate the buying and selling, production, advertising and financial sides of his business. According to an editorial which appeared in a recent issue of "Printers' Ink", a book soon to be published, called "Classification of Accounts for the Rubber Industry", will give some valuable budget suggestions. The object and needs of a budget are thus described: 1. to establish responsibility, 2. to effect accountability, 3. to estimate probability, 4. to determine advisability, 5. to insure desirability, 6. to check up ability. Among the advantages summed up are: products, processes and equipment can be standardized; also reduction of waste will be encouraged by the maintenance of better balanced inventories; by instituting wage payments based upon results, and by assigning responsibility for expenditures.

Simplified practice is a valuable aid in the operation of a successful business budget.

4. PROPER BUYING THE SECRET OF GREATER TURNOVER: In discussing "why their turnover was 10-1/2 times last year", Edwin R. Masback, President, Masback Hardware Company, New York City, says: "Buying is the secret of turnover. Don't buy and buy. Buy and sell," he tells his buyers. The four buying rules that step-up turnover for this concern are: - 1. Only buy what they catalog regularly. 2. Don't buy job lots. 3. Don't be tempted by price on a special deal. 4. Don't buy foreign goods if domestic goods can be bought. Price, quality, and proper size were the guide posts in directing the program for greater turnover.

5. THE PURCHASING AGENTS' PART IN WASTE ELIMINATION: "The Purchasing Agent's Part in Waste Elimination" is the title of an article by Thurston H. Ross, in the December "Southwestern Purchasing Agent". Mr. Ross points out that "the purchasing agent is a direct factor in the elimination of waste in

business and industry, in his function of utilizing storage facilities and of supervising materials in use, as well as in the procuring of supplies and in the choice of equipment.

By encouraging simplification and standardization of incoming products, as well as finished goods in his own plant, the purchasing agent can avoid the necessity of carrying excessive inventories and of having a large amount of capital tied up in seldom used commodities.

Many purchasing agents are buying to advantage by specifying the standard materials, tools and equipment, for which Simplified Practice Recommendations were developed under the auspices of the Department of Commerce. A list of the commodities which have been simplified will be mailed upon request to the Division of Simplified Practice.

6. STANDARDIZATION OF GAUGES: According to "The Purchasing Agent", one of the simplest but most effective forms of standardization that might be attempted is the reduction of the number of "gauges" that now confuse and irritate the industrial buyer. It would be an easy matter to formulate a standard gauge table that would embrace the decimal equivalents now included in the multitude of existing "standard" gauges. The adoption of a uniform gauge would work no hardship on manufacturers.

7. STANDARDIZATION PAYS: It is of considerable interest to note that more and more industrial concerns definitely recognize that through standardization it is possible not only to produce cheaper goods, but better. In the machinery field, one company, the Boston Gear Works Co. of Norfolk Downs, Mass., has adopted as a registered slogan the words "Standardization Pays" for use in connection with the company's products of standardized gears, speed reducers, and silent chain drives.

8. SAVINGS THROUGH SIMPLIFICATION: The Chairman, Standardization Committee, Los Angeles Purchasing Agents' Association, is featuring each month, in the "Southwestern Purchasing Agent", instances which have been brought to his attention, where distinct savings have been made by the elimination of many articles not coming under the heading of accepted standards. As an example, The County of Los Angeles, through its purchasing department and cooperation of department heads, has made reductions in the types, sizes and styles of dishes, crockery, blankets, carbon paper, waste paper baskets, pen points, and typewriter ribbons. The Axelson Machine Company is reducing its stock of files, safety goggles, grinding wheels, drills, etc. The Los Angeles Railway Company, through its interdepartmental cooperation, has made stock reductions in curtain rollers, curtain material, emery, saws, screws, bolts, rivets, sheet steel, etc.

9. A STEP TOWARD PROSPERITY: Edward L. Rossiter, Treasurer of The New York Central Lines, says, in the final report of the Committee on Treasury Department Forms, that -"'Simplified Practice' is a business philosophy which has for its ultimate goal the elimination of industrial waste. It is a voluntary continuation of what, during the war, was a compulsory reduction of a number of commodities to simplified lists of sizes and types. It reduces frozen capital, storage space requirements and overhead expense, while increasing turnover, economy of operation and labor efficiency. ...

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By supporting this program we .... make a measurable contribution to the prosperity of the Nation."

10. SIMPLIFIED PRACTICE AND THE CONFECTIONERY TRADE: In the December issue of the "Confectioners' Journal", Louis A. Dockman, President, John H. Dockman & Son, Inc., Baltimore, tells of savings and profits in producing a "short line". The keynote of the policy of this firm has been the deliberate effort to reduce the items in each department of the factory to a minimum. The principle of simplification expressed by this policy is that of finding out what pieces are in most general and permanent demand, and confining production to those pieces. The benefits claimed, as a result of this policy are: decreased cost of manufacture, through quantity production; more nearly continuous operation; a reduction in factory inventory; more intense and carefully planned selling programs; more nearly even quality of goods, and better service.

11. BETTER UTILIZATION OF WASTE: Reclamation of old material at an average net saving of $20,000 a month is a feature of the shops of the Cleveland, Cincinnati, Chicago & St. Louis Railroad at Beach Grove, Ind. In a plant constructed of cast-off materials and equipped almost entirely with reclaimed tools, many articles, including bolts, valves, washers, cut-out cocks, brake beams, couplers, wrenches, track tools and coupler parts, are reconditioned for further service.

This is a splendid example of the many instances where railroads and large concerns are saving money by better utilization of waste and waste elimination.

12. WASTE OF HUMAN ENERGY: Under the heading "Waste of Human Energy", the London Times Trade and Engineering Supplement of a recent date contains a report of a meeting of the British Section of the Societe des Ingenieurs Civils de France, which considered the growing use of mechanical devices, and the influences of manual operation on machines to supplant such operations. The British attitude toward scrapping obsolete machines was contrasted by speakers with the American attitude of adopting every labor-saving device and of standardizing to eliminate wastes.

13. COMPARISON OF U. S. AND GERMAN STANDARDS: Carl Köttgen, in "Das Wirtschaftliche Amerika", Berlin, 1925, touches upon the work of the National Industrial Conference Board, and upon that of the Department of Commerce as far as it concerns standardization, waste prevention, specifications, etc. He seems in general to be favorably impressed with these activities. The purpose of his dissertation is to examine in some detail the economic factors upon which the industrial life of the United States is based, and then to compare the picture thus developed with the conditions at present existing in Germany, mainly with a view to determining whether these conditions are susceptible of adaptation to American standards.

14. BUDGETING INCREASES EFFICIENCY: Problems involved in the adoption of plans for the operation of budgets were discussed at length and aroused much interest at the autumn convention of the American Management Association, held in Cleveland, in October. One day was taken up entirely with the technique of budgeting, the program having been prepared by a committee

of which Mr. James O. McKinsey, professor of business administration, University of Chicago, was chairman.

Budgeting increases efficiency and is a good tool to help management in the forecasting of business and the determining of factors which can and cannot be controlled.

15. BETTER METHODS VERSUS REDUCTION IN PRICES: Mr. Gerard Swope, President of the General Electric Co., in an address delivered at the annual dinner of the Associated Business Papers, Inc., says ... "The test of the efficiency of any organization is going to be measured not only by its service and the quality of products but by its continual and progressive reduction in the prices of its products to the public. That doesn't mean a cut-throat policy but it means the application of intelligence and of science to the problems before us; of better methods being introduced in industry, so that without reducing the earnings of labor we can still reduce the selling prices to the public."

Simplification is one of the "better methods" now being adopted by industries in a program for better service to the public.

16. SAVINGS THROUGH USE OF UNIT CONTAINER SYSTEMS: In discussing the advantages of the container systems at the annual transportation and service meeting of the Society of Automotive Engineers, held in Boston, November 16 - 18, D. W. Perrin summarized those advantages as follows: TO SHIPPERS:- 1. Savings in packing expense, 2. Convenience of handling in warehouses, 3. Faster service, 4. Lower rates, 5. Later closing time for acceptance of shipments by railroads, 6. Reduction of loss and damage claims, and cost of making claims, 7. Reduction in highway transportation costs between freight stations and shipper and consignee. TO RAILROADS:- 1. Reduction of checking at points of origin and destination, 2. Reduction of handling at break-bulk and transfer points, 3. Reduction of congestion at freight terminals and break-bulk points, 4. Reduction of expense of terminal buildings and handling equipment, 5. Increased car-loading, 6. Reduction of idle time of freight cars, 7. Increased efficiency of rolling stock, 8. Reduction of loss and damage claims, 9. Makes tracing easier, 10. Retrieves part of freight lost to inter-city truckmen.

17. STANDARDIZATION OF BUS EQUIPMENT: G. T. Seely, Chicago Motor Coach Co., in a paper which was read by F. C. Horner before the transportation meeting of the Society of Automotive Engineers, held at Boston in November, said: "A survey of a large number of bus operations in various parts of the country leads one to the conclusion that in the present stage of bus development two very important considerations are: 1. Standardization of equipment on the smallest possible number of types and makes. 2. Establishment of a standard of maintenance as nearly as possible 100 per cent perfect."

18. SIMPLIFICATION APPLIED TO TEXTILES: The Managing Editor of "Factory", in the December issue, calls attention to a particularly interesting bit of news in the American textile situation. "In the efforts which textile companies have made to solve their problems by increased diversification of product, it has been somewhat taken for granted that the principles of simplification, so fruitful when set to work elsewhere, didn't apply to textiles. But listen to this: Mr. Henry F. Lippert, first president of the

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recently organized Cotton-Textile Institute, said to the members at the first annual meeting, in November - "We certainly produce an enormous variety of fabrics. Some of the differences between them are very slight. It is more than likely that, if our customers' attention was called to it, a great many of these could be done away with, just as the yarn dyers, by establishing a standardized color card, have much improved manufacturing conditions without dissatisfying trade."

The manufacturers of bed blankets and cotton duck have developed simplified practice recommendations in cooperation with the Department of Commerce, resulting in the elimination of waste and increased savings.

19. ADVANTAGES OF DIE HEAD CHASER SIMPLIFICATION: "Simplified Practice applied to self-opening die head chasers has brought a number of advantages to the user," C. W. Bettcher, Secretary of the Eastern Machine Screw Association, told the National Machine Tool Builders' Association at a recent meeting at Providence. Some of these were: more prompt delivery; saving of extra charges for "Specials"; better quality, closer tolerance and greater uniformity; reduction of chaser stock; better fit between screws and tapped holes; ability to use standard gauges stocked by gauge manufacturers for standard screw sizes; and assembly with standard thread instead of "mongrels".

20. INCREASED SALES THROUGH SIMPLIFICATION: In connection with the Simplified Practice Recommendations covering eaves trough, conductor pipe, and sheet steel, one prominent manufacturer in Louisville, Ky., has this to say:- "In this connection, it may be interesting to you to know that we have discontinued the manufacture of eaves trough and conductor pipe in anything lighter than 28 gauge. We are also rubber stamping the gauge on the gutter and pipe. It has really worked to increase rather than decrease our sales. We have also adopted 28 gauge for our standard galvanized roofing and whereas last year all of our sales were 29 gauge galvanized, this year three quarters of our sales are 28 gauge and one quarter 29 gauge, and there has been a very nice increase."

21. REDUCTION OF WASTE CAUSED BY ACCIDENTS: Reducing waste in lost time due to accidents is just as important as reducing waste in material or machinery because it entails lost time that results in human suffering. "Industry must perfect its organization to deal with this problem," says Carl B. Auel, past president of the National Safety Council.

22. STANDARDIZATION AND FOREIGN COMPETITION: Reports from other countries indicate increasing activity in the direction of standardization in mechanical, electrical and other lines. Progress has been marked in some of th these countries, and especially so in the case of nations which are among our keenest competitors in foreign trade.

Along with the news of this trend there comes an uneasy question to the minds of many American manufacturers: "Will we be able to determine our future production, or will it be dictated by the practices of industries of other nations?"

The answer is up to the American producers and American technical organizations set up to carry on standardization work. Progress IS being made,

but not as rapidly as it might be were every manufacturer, every trade association and every engineering, scientific or business school to put their shoulders to the wheel. The Dayton Journal points out that there is a crying need to "sell" the idea of standards and their advantages and to wage an intensive campaign in this direction.

23. SIMPLIFIED PRACTICE AS A SHORT CUT: One of the most important steps preliminary to standardization is simplified practice. It offers a short cut to benefits for the manufacturer, the distributor or the motive and locomotive industries.

Norway has joined Germany, Switzerland, Austria, Holland, Hungary, Czecho-Slovakia, Belgium and Sweden in adopting international paper sizes.

Poland has recently formed a standards committee, which is working on 25 projects, among them simplification of electrical material, specification for boilers and cast-iron water pipes, and rules for bridge construction.

Sweden is considering standards of taper shanks for milling and drilling machines.

24. STANDARD SIZES FOR BOOKLET MAIL: Adoption of standard paper sizes, from which 14 booklet and folder sizes could be cut without waste, brought a problem in the size of envelopes for booklets of simplified sizes. One paper company and an envelope company, by cooperating on the problem, have produced a portfolio showing standard sizes of mailing pieces and envelopes which, when sent out to thousands of buyers, brought order from the chaos which had threatened, and resulted in a big influx of business in the simplified sizes. Much time in estimating and delivery has been saved.

25. RAILROADS LEAD IN REDUCTION OF WASTE: Declaring that the policy of "weeding out the waste" constitutes the new watchword for both business and government, James Francis Burke, General Counsel of the Bolt, Nut and Rivet Manufacturers' Association, cites the railroads as the outstanding exponents of this movement. In a recent address he said in part:

"The railroad men of this country, shortly after their systems were returned to them by the government, faced a deplorable condition of demoralization. But they took a coldblooded, philosophical view of what they must do to save the greatest railroad systems in the world. By cutting out industrial absurdities and reducing the number of units that were causing untold waste, they have put the railroads of America on a higher plane of efficiency than ever before marked their history.

"Here is an illustration of standardization and economy in railroad management: In the nineties, the railroads were using fifty-six different types of axles which, by 1921, they had reduced to six; fifty-eight journal boxes were reduced to six; twenty-six couplers were reduced to one; twenty brake shoes were reduced to one, and twenty-seven brake heads were reduced to one.

"Who is reaping the benefits? The entire American people."

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26. UNIFORM VEHICLE CODE: The Uniform Vehicle Code, which is the outstanding achievement of the National Conference on Street and Highway Safety, has been reviewed and endorsed in its final form by the National Conference of Commissioners on Uniform State Laws and by the American Bar Association.

It can scarcely be doubted that the widespread enactment of the Uniform Vehicle Code, with its wisely chosen provisions, capable of consistent enforcement, will force sharp reductions in our national automobile accident ratios -- by enabling tourists to know and obey the law wherever they may be; by depriving incapable, reckless and criminal drivers of the right to drive; and by eliminating speeding.

27. CENTRALIZED PURCHASING IS APPLICABLE TO CITY OR HOME: There is no essential difference between the management of a successful business and a successful government, says the Dayton Journal.

The chief difference between business and government lies in the fact that in the latter case the employes are elected. Despite this difference, each incoming administration in all respects is a corporation set up to do business. The extent to which it strays away from the principles of sound management will be the extent to which it fails to live up to preelection promises.

A government of any kind must buy and sell. It must hire labor. It must provide for financial backing and it must pay its bills. Due to the fact that administrations change frequently, state, county and municipal governments have not been able to march abreast with the advance of modern methods of doing business. The growth in popularity of the remarkable achievements of the commission and city manager forms of government and municipalities is a trend of the times.

28. REDUCTION IN LAMP PRICES: The great benefits to be derived from improved manufacturing methods, standardization and simplification are impressively evidenced by the lower prices for Mazda lamps.

There was recently announced a further reduction in the prices, effective September 1, 1926, amounting to about 7 per cent on the sizes of the new standard line of lamps generally used, and approximately 5 per cent on all types.

This is the eighth reduction of Mazda lamp prices since 1920. This reduction means a saving of approximately $4,000,000 a year to the public.

The prices of Mazda lamps are now 44% below the 1914 prices, although there has been a 65% increase in the average cost of commodities since that year.

29. DEPT. OF COMMERCE LISTS RESEARCH AGENCIES: The increasing application of scientific methods to solve the various problems connected with modern marketing is revealed in a compilation entitled, "Market Research Agencies", released a few weeks ago by the Department of Commerce. This publication, which has the commendation of the National Distribution Conference, constitutes an inventory of accomplishment in the field of market research.

With so many agencies working along the same general lines, as was evidenced at the conference on market research, held recently at the Department of Commerce, the possibilities of duplicating work already accomplished are always present. To remedy this situation the Domestic Commerce Division compiled this list of sources for market information, enabling any concern to determine without delay just what has been done by other agencies in this same direction.

30. STANDARDIZATION AND SIMPLIFIED PRACTICE IN MINING: For some years the American Mining Congress has been conducting a campaign for standardization and simplification of mining. This applies not only to the machinery and equipment used in and around the mines but also to the methods followed underground. It is obviously impossible to establish a single inflexible and uniform standard for all of the mines in this or any other country, but it is entirely possible to reduce the number of machines, processes and methods of mining to a few simple standards for each field or district.

Wherever possible, says the"Coal Age", standardization and simplification of practice should be established, for this will decrease the stock of spare and repair parts that must be carried, lower production costs, reduce selling expenses, cause fewer misunderstandings, and diminish the cost to the consumer. At the same time such practice will increase stability of employment, promote promptness of delivery, raise the quality of the product, and assure profits to the producer, distributor and consumer alike.

31. WHITE MOTOR CO. ORGANIZED AGAINST WASTE: A group of executives from the White Motor Company visits the plant every Friday morning. This group is called the Quality Committee and is made up of the production manager, the chief inspector, the assistant factory engineer, the production engineer, the salvage supervisor and the manufacturing assistant production manager. The superintendent and inspector of the department being visited are included in the group.

During the week, all materials scrapped in a department are collected at the Waste Material Depot for that department. The Quality Committee visits each of these depots and examines the material, discusses the cause for the scrapping and decides upon the measures for preventing its recurrence. Someone in the group is made functionally responsible for seeing that the trouble is remedied.

32. WASTE ELIMINATION IN PALMOLIVE PLANT: This subject, discussed by J. A. Riley in the October S.I.E. Bulletin, is quite thoroughly covered in short paragraphs under the headings of: Standard Practice Instructions; Factory Regulations; Stock Control; Buying Specifications; Symbols; Stock Numbers; New Numbers; Bin Tags; Research; Illumination; Charts; Wage Payment Plan; Insurance; Service and Safety; Cooperation; Material Handling; Differential Piece Rates; Night Work.

33. ACTIVITIES OF NATIONAL COMMITTEE ON METALS UTILIZATION

The status of the committee's active projects is as follows:

Metal Spools and Reels: - On December 2, 1926, manufacturers of metal spools and reels representing approximately 90 per cent of the annual pro-

duction of these commodities, convened at the Department of Commerce under the auspices of the National Committee on Metals Utilization for the purpose of considering the possibilities of applying the principles of Simplified Practice to their products.

A Committee was appointed to conduct a survey of the present conditions in the industry as a first step in the direction of framing a tentative Simplified Practice Recommendation. The Simplified Practice Committee selected January 15, 1927, as a tentative date when the chairman will make a report of the results of this survey to the National Committee on Metals Utilization.

Automotive Industry: Early in February, 1927, in Detroit, Michigan, there will be four general conferences of manufacturers, distributors, and users for the purpose of considering the tentative programs of the Society of Automotive Engineers, and of developing unanimous Simplified Practice Recommendations covering - 1. Spark Plugs, 2. Pistons and Piston Rings, 3. Brake Lining, 4. Roller Bearings. These meetings will be held under the auspices of the National Committee on Metals Utilization. Further details may be obtained from this office.

Flashlight Industry: At a meeting in New York City, December 9th, (under the auspices of the Department of Commerce) the Simplified Practice Committee of the Flashlight Industry made further progress in its survey of existing over-diversification.

Wrought Iron & Wrought Steel Pipe; Valves and Fittings: Simplified Practice Recommendation No. 57, "Wrought Iron and Wrought Steel Pipe; Valves and Fittings", which makes possible a 21 per cent reduction in the variety of pipe sizes, is now at the Government Printing Office. The published booklet will be ready for distribution in the near future.

34. ACTIVITIES OF THE NATIONAL COMMITTEE ON WOOD UTILIZATION

The status of the Committee's active projects is as follows:

Uses for Short Lenghts in Building and Construction: A bulletin entitled "The Marketing of Short Length Lumber" containing 32 pages is now ready for distribution. Orders for several thousand copies of this bulletin have already been received by the Government Printing Office, as many trade associations are distributing these bulletins to their members and the latter are using them as inclosures with sales letters. Copies of this report can be obtained from Government Printing Office, Washington, D. C., at a price of 10¢ per copy.

End Matching of Softwood Lumber: This project was started during the month of December. A subcommittee of eleven members, headed by Mr. Wm. F. Chew, Managing Director, The Builders' Exchange of Baltimore City, Baltimore, Maryland, is handling this project. The preliminary draft of the bulletin has been prepared and it is expected that the report will be ready for the printer within a few weeks. The end matching of softwood lumber is still in the first stages and it is believed that this bulletin will effectively contribute to the promotion of the use of this material. The end matching of lumber is one of the most outstanding accomplishments

in the wood utilization field.

Seasoning and Handling of Lumber: The four subcommittees representing lumber manufacturers, distributors, fabricators, and consumers, are now assembling the necessary material for their respective bulletins and the Committee's staff in Washington is concentrating its efforts on this project which, at the present time, is considered the most important of the Committee's activities. An arrangement has been made with the United States Forest Service, and other institutions, in regard to active cooperation on this project.

Wood Distillation: A comprehensive report on wood distillation, which has already been pronounced as the most complete of its kind written in the English language, has been prepared by William K. Ljungdahl, Chemical Engineer, whose services were loaned to the Committee by the Department of Commerce. The report contains valuable data in regard to the best practices of wood distillation, both in the United States and abroad. As soon as the members of the Wood Chemicals Subcommittee have passed on this report, the bulletin will go to the printer.

Wood Preservation: A preliminary investigation of the question of retail distribution of preserved wood is being made by the Committee. As a consequence, this treated wood, seldom handled by the retailer, will be more readily available to the average lumber consumer.

Small Dimension Stock: The establishment of the Dimension Lumber Manufacturers' Association, during November, gave the Committee the benefit of dealing with an organized group of small dimension producers. At the next meeting of the association in January, it is expected that plans for close cooperation with that association will be made.

Veneer and Plywood: Negotiations between the Veneer and Plywood Subcommittees and a Special Radio Cabinet Committee of the Radio Manufacturers' Association are now being carried on in regard to standardization of sizes of radio cabinet panels. The success of this project will mean much in the elimination of waste, both in the producing and consuming industries.

Containers: At the meeting of the Executive Committee of the National Committee on Wood Utilization held in Washington, November 23, 1926, it was decided that the Container Subcommittee should be separated into two distinct groups, one for wooden containers and the other for fiber containers, in order to permit the two groups to develop their projects independently of each other. At the invitation of the Fifth National Exposition of Power and Mechanical Engineering, the two groups exhibited, from December 6 to December 11, at the Grand Central Palace, New York City, a series of container types showing scientific design and construction. The exhibit attracted considerable attention and plans are now being considered for a traveling exhibit to cover more than forty cities in the United States that have expressed an interest in this project.

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35. RECENT PUBLICATIONS: The following publications were received from the Government Printing Office during the month of December, and copies may be obtained from the Superintendent of Documents of that office, at the price indicated.

"A Primer of Simplified Practice" - containing 50 questions and answers regarding simplification movement ..... 15¢

"S.P.R. No. 43, Paint and Varnish Brushes" - listing the standard brushes which were reduced from 480 varieties to 138 ..... 5¢

"S.P.R. No. 53, Steel Reinforcing Spirals" - showing a list of steel spiral rods for concrete reinforcement, reduced from 7 to 3 standards ..... 5¢

GENERAL BUSINESS CONDITIONS

36. STABILITY OF DISTRIBUTED PROSPERITY: In a discussion of the general business conditions of the country which appeared in the December bulletin of the National City Bank, the editor has this to say:-

"Two things chiefly have contributed to the expansion of industry over the past few years, - the making up of the normal peace time growth that was retarded by the war, and a great increase in industrial efficiency, which has produced a wider distribution of wealth here than anywhere else and given to the mass of the people a buying power greater than that of any other country. While the impetus derived from the first may be losing its force, that derived from the second is inexhaustible so long as all parties who have contributed to that efficiency continue to do so and to cooperate reasonably well to that end. The wants of the American people are no nearer to being satisfied now than they were a year ago or five years ago, nor is there the slightest prospect that they will be satisfied in the near future. The buying power of the American people exists in the work they do for each other from day to day, and is as limitless as their wants. The pace at which they make headway in satisfying their own and each other's wants depends upon their ability to work together harmoniously, understanding all the time the cooperative character of their relations. The secret of continued prosperity is in a fair and even distribution of it. Whenever a group attempts to get more than its share the entire flow is imperilled."

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